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AGRICULTURAL RELIEF MEASURES RELATING TO THE RAISING OF FARM PRICES -  
70th CONGRESS, DECEMBER 5, 1927 to MARCH 3, 1929.

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Bills have been classified under the major plans which were considered in this Congress. Titles of Bills have not been repeated although it is recognized that some Bills might be classified under more than one plan. Extracts from the hearings on the Bills have been included.

For a brief historical account of agricultural relief measures see Agricultural Reform in the United States, by J. D. Black, published by McGraw-Hill Book Company, Inc., N. Y., 1929.

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BOUNTIES, EXPORT

Robinson (Arkansas)

S.674. To find markets and provide credits for financing the exportation of surplus agricultural products, to authorize the payment of bounties on exports of agricultural surpluses, and for other purposes.

Introduced December 6 (calendar day, Dec. 9) 1927. Referred to Committee on Agriculture and Forestry.

Provides for the creation of the Farmers Export Corporation, to be composed of five persons to be appointed by the Secretary of Agriculture. Extracts from Sections 10 and 11 of the bill follow:

"Sec. 10. That whenever the board of directors of the corporation shall be of the opinion that there exists, or soon will exist, a surplus above domestic requirements of wheat, corn, oats, rye, rice, cotton, cottonseed, tobacco, beef cattle, and hogs of the United States, processed or in a natural state, and that the ordinary export banking or credit facilities are inadequate or unavailable to enable such surplus or surpluses to be sold for export or to be carried until they can be exported, or manufactured or prepared for export, the corporation shall be empowered and authorized to make loans, out of any funds in its possession, except the reserve fund provided by section 13, upon such terms not inconsistent with this Act as it may determine, to any farmers, ranchers, or planters acting separately or in cooperative associations, within the United States, for the purpose of enabling them to export any of the surplus American agricultural products enumerated in this section, or to any person or combination or group of persons, without the United States; and to renew any such loan for not more than one year from the date thereof...

"Sec. 11. Whenever the board of directors of the corporation shall be convinced that the extension of credit to any person entitled to receive credit under section 9 will not result in disposing of enough of those surpluses to secure for the farmer a fair price for his products, the said board of directors is hereby empowered to declare the existence of an emergency, and to establish a schedule of export bounties for wheat, corn, oats, rye, rice, cotton, cottonseed, tobacco, beef cattle, and hogs processed or in a natural state. The said bounties shall be fixed at such amount as will, in the judgment of the board of directors, be sufficient to secure for the farmer a just and reasonable price for his products, but shall in no case exceed the amount of the duties imposed on imports of the same products, respectively. The said bounties shall be paid by the Treasurer of the United States, on requisition by the board of directors of the corporation, to any farmer, rancher, planter, or farmers' cooperative association or other associations of farmers, ranchers, or planters thereafter exporting any of the commodities herein named, until such time as the board may declare that the emergency no longer exists. Until, in the judgment of the board of directors, such farmers, ranchers, or planters, acting separately or in cooperative associations, are able effectively to export the exportable surpluses of the farm products enumerated in sections 9 and 10, the Treasurer of the United States is hereby empowered, on requisition of the said board, to pay the said export bounties to any American exporter of such of the said



surplus products as the board of directors considers the farmers unable effectively to export for themselves, either acting separately or in associations. Said bounties shall be paid out of a special fund to be known as the 'agricultural export bounty fund,' which is hereby created out of the receipts from duties on imports. All moneys received from duties on imports shall be set aside and paid into the agricultural export bounty fund until there shall be and remain unexpended in said fund the amount of \$100,000,000, after which no more such moneys shall be so set aside and paid in except sufficient to maintain a fund at \$100,000,000. There is hereby appropriated, out of the agricultural export bounty fund, so much as may be necessary to pay the export bounties authorized by this section."

#### EQUALIZATION FEE

#### Bills

Anthony

H.R. 6019. To establish a Federal Farm Board to prevent overproduction of agricultural commodities and to aid in the orderly marketing and in the control and disposition of the surplus of agricultural commodities.

Introduced December 7, 1927. Referred to Committee on Agriculture.

Provides for the creation of a Federal Farm Board in the Department of Agriculture, composed of 12 members appointed by the President. The Secretary of Agriculture is to be an ex officio member.

Section 6, which gives the board power to control and dispose of the surplus, is quoted in part, as follows:

"(b) The board shall furnish, upon request, to any cooperative association or farm organization or to any producer of any agricultural commodity its recommendations upon the disposition of such commodity, or any surplus thereof, and upon the available method of financing. Whenever the board is of the opinion that the provisions of this Act applicable to a basic agricultural commodity (as hereinafter defined in this section) should be made applicable to any other agricultural commodity, it shall submit its report thereon to Congress.

"(c) For the purposes of this Act cotton, wheat, corn, butter, cattle, and swine shall be known and are hereinafter referred to as 'basic agricultural commodities,' and the term 'food products' means the respective food products of each such basic agricultural commodity except cotton. Whenever the board finds that, in the case of cotton, wheat, corn, butter, cattle, or swine, and/or any food product of wheat, corn, cattle, or swine [defined as basic agricultural commodities] there is or may be during the ensuing year a surplus above domestic requirements, and that the existence of such surplus endangers the stability of our domestic markets and that a substantial number of cooperative associations or other organizations representing the producers of such commodity are in favor of the commencement by the board of operations in such commodity and/or its food products - then the board shall declare its findings and may, if a majority of

the board approve, commence operations in respect thereof. Such operations shall continue until terminated by the board.

"(d) During such operations, the board shall assist in removing or withholding the surplus of such basic agricultural commodity and/or its food products and shall assist producers in controlling the quantity in excess of the requirements for orderly marketing and in maintaining domestic prices, by entering into agreements with cooperative associations engaged in handling such basic agricultural commodity or its food products, or with a corporation or association created by one or more of such cooperative associations, or with persons engaged in processing such basic agricultural commodity or its food products. Such agreements may provide (1) the payment out of the equalization fund for such commodity, as hereinafter established, of the amount of losses, costs, and charges of any such association, corporation, or person arising out of the purchase, storage, sale, or other disposition of such basic agricultural commodity or its food products or out of contracts therefor, if made after such agreement has been entered into and if made in accordance with the terms and conditions thereof; and (2) the payment into such equalization fund for such commodity or profits (after deducting the costs and charges provided for in the agreement) of any such association, corporation, or person, arising out of such purchase, storage, sale, or other disposition or contracts therefor; and may provide for the making of advances out of such equalization fund to any such association or corporation for financing the purchase, storage, sale, or other disposition of basic agricultural commodities and their food products in accordance with the agreement; and may make such regulations and take such action, not in conflict with the provisions of this Act, as in the judgment of the board will encourage the development and increase the membership of cooperative associations."

Provides for an equalization fee. The purposes, determination of amount, and the payment and collection, of the fee are given in sections 7-9.

Cannon

H.R. 14940. To establish a Federal Farm Board to aid in the orderly marketing and in the control and disposition of the surplus of agricultural commodities in interstate and foreign commerce.

Introduced December 6, 1928. Referred to Committee on Agriculture. Similar to the McNary-Haugen bills.

Lankford

H.R. 7739. To establish a Federal Farm Board to aid in the orderly marketing and in the control and disposition of the surplus of agricultural commodities in interstate and foreign commerce, and to create the Farmers Finance Corporation.

Introduced December 16, 1927. Referred to Committee on Agriculture.

The Board is to consist of 12 members and the Secretary of Agriculture as ex officio member.

The bill provides for the creation of commodity advisory councils; loans to cooperatives to assist in controlling the surplus of commodities and in acquiring facilities to be used in the storage,



processing, or sale or other disposition of the commodity; aid in the establishment of, and registration of, clearing house and terminal market associations; make marketing agreements for the withholding and/or disposal of any part of a surplus held by the cooperative; equalization fee to carry out the marketing agreements; etc.

Title II of the bill provides for the creation of the Farmers' Finance Corporation composed of the Secretary of Agriculture and 6 additional persons. The provisions of this part of the bill are somewhat similar to H.R.9947, also introduced by Mr. Lankford.

#### Lankford

H.R.13291. To establish a Federal Farm Board to aid in the orderly marketing and in the control and disposition of the surplus of agricultural commodities in interstate and foreign commerce.

Introduced April 24, 1928. Referred to Committee on Agriculture.

Provides for the creation of a Federal Farm Board to consist of 12 members appointed by the President and the Secretary of Agriculture as ex officio member.

Provides for the creation of commodity advisory councils; for loans to cooperatives to aid in controlling the surplus, etc.; for the refusal to grant advances to producers of a commodity who have substantially disregarded the board's advice, or to the producers of a commodity, the planting of which for any year is substantially greater than a normal increase; investigations by the board of conditions surrounding the marketing of a commodity; the establishment of, and registration of, clearing house and terminal market associations; market agreements providing for the withholding, or purchasing, by a cooperative, of surplus commodities; for an equalization fee to carry out marketing and nonpremium insurance agreements; insurance against price decline.

#### McNary-Haugen

H.R.7940. (Haugen). To establish a Federal Farm Board to aid in the orderly marketing and in the control and disposition of the surplus of agricultural commodities in interstate and foreign commerce.

Introduced December 19, 1927. Referred to Committee on Agriculture. General agricultural relief hearings held. 281 Un3Ag

Similar to S.3555, introduced by Mr. McNary.

#### McNary-Haugen

H.R.12678. (Haugen). To establish a Federal Farm Board to aid in the orderly marketing and in the control and disposition of the surplus of agricultural commodities in interstate and foreign commerce.

Introduced April 4, 1928. Referred to Committee on Agriculture.

Reported without amendment (H.Report 1141). General agricultural relief hearings held. 281 Un3Ag

Similar to S.3555, introduced by Mr. McNary.

#### McNary-Haugen

S.1176 (McNary). To establish a Federal Farm Board to aid in the orderly marketing and in the control and disposition of the surplus of agricultural commodities in interstate and foreign commerce.

Introduced December 6 (calendar day Dec. 9), 1927. Referred to Committee on Agriculture and Forestry.

Similar to S.3555, also introduced by Mr. McNary.

McNary-Haugen

S.3555 (McNary). To establish a Federal Farm Board to aid in the orderly marketing and in the control and disposition of the surplus of agricultural commodities in interstate and foreign commerce.

Introduced March 7, 1928. Reported March 8, 1928 (S.Report 500).

Passed Senate as amended April 12, 1928.

Reported in House with amendment April 14, 1928 (H.Report 1273).

Passed House as amended May 3, 1928.

Conference Report agreed to in House May 14, 1928; in Senate May 16, 1928. Vetoed by the President May 23, 1928 (S.Doc.141). Veto sustained by Senate May 25, 1928.

Provides for a Federal Farm Board to consist of 12 members and the Secretary of Agriculture as ex officio member.

Provides for commodity advisory councils; loans to cooperatives to aid in controlling the surplus, etc.; refusal by the board to grant loans if acreage has been increased; establishment of, and registration of, clearing house and terminal market associations; marketing agreements; equalization fees; price insurance; etc.

The following is quoted from the veto message of the President:

"Senate bill 3555, called the surplus control act, is in some respects an improvement over Senate bill 4808 of the last Congress. It includes several provisions, which, if unencumbered by objectionable features, would form a basis for a measure that should do much to develop stronger business organizations in agriculture. But the present bill contains not only the so-called equalization fee and other features of the old measure prejudicial, in my opinion, to sound public policy and to agriculture, but also new and highly objectionable provisions. In its entirety it is little less undesirable than the earlier measure. The bill still is unconstitutional. This position is supported by the opinion of the Attorney General, which is hereto attached.

"In its essentials the objectionable plan proposed here is the stimulation of the price of agricultural commodities and products thereof by artificially controlling the surpluses so that there will be an apparent scarcity on the market. This is to be done by means of a board having supposedly adequate powers and adequate funds to accomplish such purpose through various agencies, governmental and private. The surpluses of the different selected commodities so accumulated by the board are then to be sold by export and otherwise directly or through such agencies at whatever loss is necessary in making the disposition. The fund to pay the losses and other costs while at first furnished by the Government is ultimately to be replaced and thereafter replenished from time to time by means of a tax or fee charged against the product. The theory is that the enhanced price of the commodity would enable the producer to pay the equalization fee and still reap a profit.



"The recurring problem of surpluses in farm products has long been a subject of deep concern to the entire Nation, and any economically sound, workable solution of it would command not only the approval but the profound gratitude of our people. The present measure, however, falls far short of that most desirable objective; indeed, although it purports to provide farm relief by lessening the cares of our greatest industry, it not only fails to accomplish that purpose but actually heaps even higher its burdens of political control, of distribution costs, and of foreign competition. It embodies a formidable array of perils for agriculture which are all the more menacing because of their being obscured in a maze of ponderously futile bureaucratic paraphernalia. In fact, in spite of the inclusion in this measure of some constructive steps proposed by the administration, it renews most of the more vicious devices which appeared in the bill that was vetoed last year. This document is much altered from its previous form but its substance, particularly as to its evident ultimate effect of tending to delude the farmer with a fantastic promise of unworkable governmental price regulation, is still as repugnant as ever to the spirit of our institutions, both political and commercial.

"A detailed analysis of all of the objections to the measure would involve a document of truly formidable proportions. However, its major weaknesses and perils may be summarized under six headings:

"I. Its attempted price-fixing fallacy.

"II. The tax characteristics of the equalization fee.

"III. The widespread bureaucracy which it would set up.

"IV. Its encouragement to profiteering and wasteful distribution by middlemen.

"V. Its stimulation of overproduction.

"VI. Its aid to our foreign agricultural competitors.

"These topics by no means exhaust the list of fallacious and indeed dangerous aspects of the bill, but they afford ample ground for its emphatic rejection."

#### Hearings

U.S. Congress. House. Committee on agriculture. Agricultural relief. Hearings... seventieth Congress, first session. January 17 - February 24, 1928. Washington, U.S. Govt. print. off. 1928. 10 pts. (734 pp.) 281 Un3Ag.

Statement of Chester H. Gray, pp.1-11:

"Commencing several years ago, remarking somewhat upon the evolutionary growth of the farm-relief idea, this committee considered that the surplus was not the question. The fundamental objective varied in the different farm relief bills back yonder; but every farm relief bill now, which is presented, including the one I am talking about, confesses that the surplus is the question...

"Another point we have progressed along is that in years past, those bills which have carried the equalization principle had different methods for putting that principle into operation... We have evolved,

we have progressed, if I may use that latter word, to the point where, in the present bill, the individual producer, so far as the equalization fee is concerned, does not come into contact with the fee, except that he gets the benefit from the stabilization and perhaps a slight hightening of the market price of the commodity which he gets for his product...

"In former times the farm relief bills were presented merely from an emergency point of view, of trying to solve a temporary condition; now, any farm relief bill introduced - I do not care on what feature it may be founded, nor what method it may seek to use in trying to solve the surplus question - can not approach the farm relief question from an emergency or temporary point of view.

"At least, those organizations which President Thompson read the names awhile ago, all of which are in support of H.R. 7940, have gotten far beyond the point that farm relief, as originally considered, is an emergency solution. We are trying to set up a permanent agricultural policy for the disposition of the surplus. We are on a permanent basis now and have been for some time in the past. Farm relief has progressed from a point of simply making an effort to solve a temporary condition to an effort to set up a permanent beneficial condition, as to agriculture; and that gives the question a much more potent and much more favorable situation than perhaps it had in times past...

"Another point that we have gone forward on is that the obligations, which might be entered into by the Federal Farm Board, should not be such as will require the Federal Treasury to advance more money than is named in the revolving fund.

"Some point of criticism has been made to various farm relief bills, that there was no limit in the wording of the bills to the extent of the obligation which the Federal Government might be bound by the operations of the various boards named in the different farm bills.

"In this bill which we advocate the limit of obligations is specifically whatever amount is designated in the revolving fund. There is no possibility of Uncle Sam being obligated beyond that amount, and there is every reason to expect that he will get that amount back eventually with interest thereon at 4 per cent." - pp.3,4,5.

Chairman Haugen, p.68:

"What I wish to suggest, as I did before, is that no one has suggested anything to take the place of the equalization fee. Now then, if the equalization fee is eliminated, what is to be substituted for it? Many have suggested a subsidy. I believe that only one of the numerous farmers and representatives of the various farm groups appearing here in support of the measure has expressed himself in favor of a subsidy, even though they might be justified in accepting it, considering the billions of dollars in subsidies granted to others. No, the producers are not here asking for charity, but on the contrary they are vigorously protesting against it. All that is asked is, that they be permitted to market their products in a way that will give them the benefits of protective laws already established, and to thus insure them the American price level. If so, they are willing to pay their share of the cost of equalizing the price, and receive their proportionate share of the benefits. What they want is a law that will make the desired relief permanent. Not a temporary subsidy, wholly



dependent upon appropriations from time to time, which might defeat the whole purpose sought, but as before stated, permanent relief. In other words, one that will place the farmer on an equality with organized industry in respect to our protective laws."

Statement of Mr. Bledsoe, relative to including a provision for price insurance in the bill, pp.73-99:

"This method for relief of cotton is sound. It involves no subsidy, it would not put the Government in the business of merchandising, it will not stimulate production, it will not involve any ultimate loss to the Government, but it will enable the grower to more nearly receive an average world price for his product over a series of years. In other words, it would give the cooperative marketing association insurance facilities based on and parallel with world prices as determined by the composite view of the traders in the exchanges of the world." - p.75.

Statement of Leon L. Rice, pp.161-162:

"I do not pretend to say that the bill contains a complete panacea for all the ills of agriculture, for there are other and important things the farmers will have to do to adjust their business to conditions that surround them. The one-crop farmer is violating economic laws and will suffer the consequences, but the surplus problem vitally affects every farmer, whether he diversifies or not, and this bill seeks to save him from his surplus. When the Government has done this they shall have equalized the farmer with the manufacturer and solved one of the greatest problems of agriculture, in so far as it can be solved by governmental action. The farmer must realize that if he increases his production he will decrease his price, and by his persistence in creating a surplus by means within his control, he will bring upon himself not only smaller return for his labor but an equalization fee for his folly." - p.162.

Statement of A. H. Stone, pp.163-167.

"The problem for the American farmer, therefore, is not primarily one of controlling production. That phase is of course entitled to consideration. But production is in reality absolutely beyond human control...

"It can not be too strongly emphasized that the real problem before American agriculture is not that of fixing prices. It is primarily that of securing values, based upon the law of supply and demand, which can be done only when that law is allowed to operate fairly and normally, and through a reasonable period of time, without the hampered and unbalanced effects of a temporary supply unreasonably in excess of a temporary demand. This can only be done by a frank recognition of the nature of agricultural surpluses and of their real significance to the public as well as to the producer, followed by the application of sound methods of surplus control." - p.165.

Statement of Mr. Fort, p.451.

"I personally am entirely in sympathy with the aspirations of the farmer for a higher price average on his commodities; that I have believed, and do believe, that in many cases commodities are selling below where they should sell; and that I have so stated to my constituents, who are purely consumers, and have told them that I expected



to support in Congress - repeatedly told them - legislation that I believe will increase the cost of living. And I have yet to have a protest from any consumer against the occurrence of an enhanced price of commodities if that price is necessary to produce a fair living to the American farmer, and if that price be not made greater by speculative or other manipulations that do not go to the benefit of the American farmer.

"My opposition to the McNary-Haugen type of legislation, which I believe to be approved by my constituents, is that I do not believe that the full benefits, or any substantial part of the benefit of any price enhancement, will be translated into the pockets of the farmer under that type of legislation; that I do not believe it to be constitutional, and therefore I am certain that in the second year, which is the one that Doctor Kilgore is worrying over, the whole machinery will fall apart through the intervention of the courts, and leave established an organization carrying a large part of the surplus, which would have to be dumped to the wrecking of the market of the farmer in the succeeding year. Therefore, since I can not see that the plan will benefit the farmer, and that such increases as it produces will only result in penalizing the consumer in the first year, with ultimate damage to the farmer, I can not vote for any such type of legislation."

Statement of Sydney Anderson, speaking as President of the Millers' National Federation, pp.521-590:

"I have said that we consider this agricultural problem as partly our problem. We think that a sound and prosperous agriculture is not only basic to our prosperity, but is basic to national prosperity and to the maintenance of sound economic balance between industrial and agricultural production in our general economic structure; in fact, I am glad to go further than that: I think the agricultural problem is not only a national problem which justifies national concern, but that it is a problem which justifies governmental concern and governmental aid and assistance in its solution." - p.523.

## EXPORT CORPORATION

### Bills

#### Brookhart

S.772. To provide for buying, storing, processing, and marketing agricultural products in interstate and foreign commerce and especially for thus handling the exportable surplus of agriculture in the United States, and for other purposes.

Introduced December 6 (calendar day Dec. 9), 1927. Referred to Committee on Agriculture and Forestry.

As used in this bill "the term 'agricultural products' means agricultural, horticultural, viticultural, and dairy products, livestock, and products thereof, the products of poultry and bee raising, the edible products of forestry, and any and all products raised or

produced on farms and processed or manufactured products thereof, transported or intended to be transported in interstate or foreign commerce."

Provides for the creation of a Farmers' National Export Cooperative, directed by three persons, one of whom is to be appointed by the Secretary of Agriculture.

"The general purpose and business of the cooperative shall be to purchase from the farmers of the United States enough of agricultural products to include the entire exportable surplus and so much for interstate commerce as the board may determine, and to pay therefor the average cost of production plus a margin of profit sufficient to yield 5 per centum per annum upon the farmers' capital investment; also to process and to store and to market said products and to export such as can not be marketed in the United States."

The cooperative is empowered to keep advised on all matters affecting commerce in agricultural products, hold conferences with cooperatives, negotiate agreements, make loans to cooperatives, issue bonds "Such bonds may be issued at not less than par in payment of any obligation authorized by this Act or may be offered for sale publicly to any person at such price or prices as the board of directors may determine, subject to the approval of the Secretary of Agriculture"; dispose of the surplus; establish farm advisory boards; etc.

Under Section 9 The Department of Agriculture is required "to determine the average cost of production to farmers of each agricultural commodity having an exportable surplus, for the five preceding years, and also the financial investment therein, and report the same to this cooperative as the price basis for the current year. The items of cost shall be estimated upon the same principle as in the manufacturing industry, and considering the individual farm as a business unit, and determined on its individual production, including a fair compensation to farm owners for management and labor of themselves and families, together with proper allowances for depreciation of soil [etc.]... The cooperative shall then offer to the farmers a price equal to this average cost of production plus enough profit to yield 5 per centum upon the capital investment. The cooperative shall also have the right to buy and sell agricultural food products in processed form when such processing is necessary for preservation, but only when the parties so processing them have paid to the farmers the basic price above indicated and have added thereto only enough for a profit of 5 per centum upon their own investment. The board of directors shall establish an efficient agency to determine compliance with the list provision."

Robinson (Arkansas)

S.671. To find markets and to provide credits for financing the exportation of surplus agricultural products, and for other purposes.

Introduced December 6 (calendar day Dec. 9), 1927. Referred to the Committee on Agriculture and Forestry.

Provides for the creation of the Farmers' Export Financing Corporation. The management of the corporation is vested in a board of directors of three persons; one of whom is to be appointed by the Secretary of Commerce and two by the Secretary of Agriculture.



Section 9 of the bill provides, in part, as follows:

"That whenever the board of directors of the corporation shall be of the opinion that there exists, or soon will exist, a surplus above domestic requirements of any staple agricultural product or products of the United States, processed or in a raw state, and that the ordinary export banking or credit facilities are inadequate or unavailable to enable such surplus or surpluses to be sold for export or to be carried until they can be exported or manufactured or prepared for export, the corporation shall be empowered and authorized to make advances, upon such terms not inconsistent with this Act as it may determine, to any person or combination or group of persons, without the United States purchasing such products; but in no case shall any of the money so advanced be expended without the United States; and to renew any such advance for not more than one year from the date thereof.

"Every such advance shall be secured by such security as the board of directors may approve."

Certain designated acts of the board are required to be approved by the Secretary of Commerce. The Secretary of Agriculture seems to have no other duties than the appointment of two members of the board.

## EXPORT DEBENTURE PLAN

### Bills

Caraway

S.1764. To establish a Federal Farm Board to aid in the orderly marketing and in the control and disposition of the surplus of agricultural commodities in interstate and foreign commerce.

Introduced December 15, 1927. Referred to Committee on Agriculture and Forestry.

Provides for the creation of a Federal Farm Board consisting of the Secretary of Agriculture as an ex officio member and 12 other members appointed by the President. The Board is to meet at the call of the chairman, the Secretary of Agriculture, or of a majority of its members.

The bill provides for commodity advisory councils and for the making of loans to cooperatives for the purpose of assisting the cooperative in controlling the surplus and in the acquisition of facilities to be used in the storage, processing, or sale or other disposition of the commodity.

The bill provides for the issuance of debentures when the board finds that there is a surplus of a commodity and that both the advisory council and a substantial number of associations favor it. The following extract is quoted from section 7:

"(a) On and after the date so fixed for the commencement of the debenture period the board shall issue (as provided in subdivision (c)) to any cooperative association (as defined in section 12), or to any authorized agent of such association, debentures in an amount equal to the export price of the commodity produced by such association (or its members) and exported by such association or agent.



"(b) As used in this section, the term 'export price' means the price at which a commodity is sold, or agreed to be sold, for export by or for the account of the cooperative association producing such commodity."

Connally (Texas)

H.R.11358. To provide for the orderly marketing of the surplus of staple agricultural commodities through Federal agricultural export corporations and for the stabilization of prices of such commodities through the issuance of export debentures.

Introduced February 23, 1928. Referred to Committee on Agriculture. Hearings held by House Committee. 281 Un3Ag, pt.10.

Provides for the creation of a Federal Farm Board to consist of the Secretary of Agriculture as ex officio member and 12 other members to be appointed by the President.

Provides for the organization of commodity advisory councils; loans to cooperatives; the establishment of "a Federal agricultural export corporation for each staple agricultural commodity, for the purpose of providing for the control and disposition of surpluses of such commodity, of preserving advantageous domestic markets for such commodity, of preventing such surpluses from unduly depressing the prices obtained for such commodity and from causing undue and excessive fluctuations in the markets for such commodity, and of minimizing speculation and waste in marketing such commodity"; and for the issuance of export debentures for any staple agricultural commodity.

Debenture rates are laid down for corn (including certain products); paddy or rough rice, brown rice, milled rice, broken rice and other products; wheat and certain products; cottonseed; cotton and cotton waste; and tobacco, manufactured or unmanufactured.

Item (d) under Sec. 19, Debenture Rates, is as follows:

"Whenever the board finds that the acreage planted in the United States during any year of any commodity covered by this Act is materially increased over the average annual acreage planted to such commodity, according to the estimates of the Department of Agriculture, during the five years next preceding such increase, the debenture rates for such commodity for such year shall be reduced by the board, on a percentage basis, in the inverse ratio, as nearly as the board finds practicable, to such acreage increase."

Jones

H.R.9371. To place agricultural products upon a price equality with other commodities.

Introduced January 16, 1928. Referred to Committee on Agriculture.

Provides for the creation of a Federal Farm Board consisting of the Secretary of Agriculture as ex officio member and four other members appointed by the President.

Advisory councils for each commodity are to be created by the Board. Provides for the issuance of debentures. The following extracts are quoted from sections 4 and 5 providing for the issuance of debentures.

"Sec. 4. (a) Whenever the board finds-

"First, that there is or may be during the ensuing year a surplus

above the requirements for the orderly marketing of corn, oats, wheat, rice, cotton, or tobacco or a surplus above the domestic requirements for any such commodity; and

"Second, that both the advisory council for the commodity and a substantial number of cooperative associations or other organizations representing the producers of such commodity favor the full cooperation of the board in the marketing and exportation of such commodity - then the board, after publicly declaring its finding, may promote the exportation of such commodity by the issuance of export debentures as hereinafter provided...

"Sec.5. (a) In accordance with regulations prescribed by it, the board shall issue to any farmer, cooperative association, or other person, in respect of any quantity of an agricultural commodity or any quantity of any product of such commodity exported from the United States by such farmer, cooperative association, or other person during a debenture period for such commodity, a debenture in an amount computed at the rate prescribed in section 6 for such commodity or such product, respectively, whenever such farmer, cooperative association, or other person within a reasonable time, to be prescribed by the board, prior to the exportation (1) makes application for such debenture, and (2) submits proof satisfactory to the board that such quantity of the agricultural commodity to be exported was produced in the United States or that the agricultural commodity used in making such quantity of the product to be exported was produced in the United States, and that no prior debenture has been issued in respect of such quantity of the commodity or such quantity of the product or the commodity from which such quantity of the product was made."

Section 6 provides for debenture rates. Item (b) under this section is as follows:

"Whenever the board finds that the acreage planted in the United States during any year of any commodity covered by this Act is materially increased over the average annual acreage planted to such commodity, according to the estimates of the Department of Agriculture, during the five years next preceding such increase, the debenture rates for such commodity for such year shall be reduced by the board, on a percentage basis, in the inverse ratio, as nearly as the board finds practicable, to such acreage increase."

Jones

H.R.10656. To place agricultural products upon a price quality with other commodities.

Introduced February 7, 1928. Referred to Committee on Agriculture. Similar to H.R.9371 also introduced by Mr. Jones. Contains in addition a provision for the organization by the board of export corporations.

Jones

H.R.10762. To place agricultural products upon a price equality with other commodities.

Introduced February 9, 1928. Referred to Committee on Agriculture. Similar to H.R.10656, also introduced by Mr. Jones.



Jones

H.R.12893. To foster agriculture and to stabilize prices obtained for agricultural commodities, by providing for the issuance of export debentures upon the exportation of such commodities.

Introduced April 11, 1928. Referred to Committee on Agriculture.

Provides for the creation of a Federal Farm board to be composed of the Secretary of Agriculture as ex officio member and four other members appointed by the President. The board is to meet at the call of chairman, of the Secretary of Agriculture, or of a majority of its members.

The board is authorized to make loans to cooperatives to aid "in controlling a seasonal or year's total surplus produced in the United States and either local or national in extent, that is in excess of the requirements for the orderly marketing of any agricultural commodity or in excess of the domestic requirements for such commodity."

Provides for the issuance of debentures as stated as follows in sections 5 and 6:

"Sec. 5. (a) On and after the 1st day of July next following the approval of this Act the Secretary of the Treasury, under regulations prescribed by the board, shall, subject to the limitations of this Act, issue an export debenture to any farmer, cooperative association, and other person (including any export corporation organized by the board under section 9), in respect of any quantity of a debenturable agricultural commodity or of any quantity of any debenturable product of such commodity, that is exported from the United States to a foreign country by such farmer, cooperative association, or other person. The export debenture shall be in an amount computed at the debenture rate for such commodity or product, respectively, effective at the time of the exportation....

#### "Debenturable Commodities and Products

"Sec.6. For the purposes of this Act, wheat, corn, rice, swine, cattle, cotton, tobacco, and any other agricultural commodity which is designated by the board under section 7 (b), shall be known and are herein referred to as debenturable agricultural commodities. Any food product of wheat, corn, rice, swine, or cattle, or any manufactured product of cotton or tobacco, or of any other agricultural commodity designated by the board under section 7 (b), shall be known and is herein referred to as a debenturable product if a debenture rate is prescribed for such product either specifically in section 7 (a) or by the board under section 7 (c)."

Section 8 provides for flexible rate provisions, in part, as follows:

"(a) In order to prevent undue stimulation of the production of any debenturable agricultural commodity, whenever the board finds that the average annual production of any debenturable livestock commodity or the average annual acreage of any other debenturable agricultural commodity for the last two preceding years has exceeded the average annual production or acreage, respectively, of such commodity for the period from the seventh to the third preceding year, - then the board, after publicly declaring its finding, shall prescribe that the export debenture rates for the commodity and the debenturable products thereof shall be reduced or that the issuance of debentures therefor shall be



suspended, as hereinafter prescribed in subdivision (b) for the amount of increase in production or acreage which the board finds has occurred."

Provides also for the creation of export corporations by the Board. Section 10 provides for loans to cooperative associations for the purpose of entering into contracts of price insurance. Such loans are subject to various requirements the first of which is that "the corporation will insure the price only of those agricultural commodities which, in the judgment of the board, are regularly traded in upon an exchange in sufficient volume to establish a recognized basic price for the market grades of such commodity, and then only when such exchange has accurate price records for the commodity covering a period of years of sufficient length, in the judgment of the board, to serve as a basis upon which to calculate the risks of the insurance."

Ketcham

H.R.10568. To foster agriculture and to stabilize the prices obtained for agricultural commodities by providing for the issuance of export debentures upon the exportation of such commodities.

Introduced February 6, 1928. Referred to Committee on Agriculture. Hearings held by House Committee. 281 Un3Ag (pt.5).

Provides for the creation of a National Export Debenture Board consisting of the Secretary of Agriculture as chairman, the Secretary of Commerce and the Secretary of the Treasury.

Debenturable agricultural commodities as defined in the bill are wheat, corn, rice, fruit, swine, cattle, poultry, cotton, tobacco and any other agricultural commodity which is designated by the President under section 6 (b). Any food product of wheat, corn, rice, fruit, swine, cattle, or poultry, or any manufactured product of cotton, tobacco, or any other agricultural product designated by the President under section 6(b) are to be known as a debenturable product if a debenture rate is prescribed for such product.

The bill also carries flexible rate provisions similar to other export debenture bills listed.

Ketcham

H.R.12892. To foster agriculture and to stabilize the prices obtained for agricultural commodities by providing for the issuance of export debentures upon the exportation of such commodities.

Introduced April 11, 1928. Referred to Committee on Agriculture.

Provides for the creation of a Federal Farm Board, consisting of the Secretary of Agriculture as ex officio member and four other members to be appointed by the President.

This bill is somewhat similar to H.R. 10568. Debenturable commodities and products are the same as in H.R.10568. Bill also provides for loans to cooperatives, organization of export corporations, and price insurance.

Lankford

H.R.10757. To establish a Federal Farm Board to aid in the orderly marketing and in the control and disposition of the surplus of agricultural commodities in interstate and foreign commerce.

Introduced February 9, 1928. Referred to Committee on Agriculture.

Provides for the creation of a Federal Farm Board to consist of the Secretary of Agriculture as ex officio member and 12 other members appointed by the President.

Provides for the creation of commodity advisory councils; loans to cooperatives; marketing agreements providing for the withholding from the market, etc., by cooperatives of any part of the surplus of the agricultural commodity delivered to such cooperative; and for the issuance of export debentures.

Debenturable commodities are wheat, corn, rice, fruit, swine, cattle, poultry, cotton, tobacco, and any other agricultural commodity designated by the President under section 10(b). Debenturable products are food products of the first 7 commodities listed and manufactured products of cotton and tobacco. The bill also carries cost of production and flexible rate provisions similar to the other export debenture bills listed.

### Hearings

U.S. Congress. House of representatives. Committee on Agriculture. Agricultural relief. (Export debenture plan). Hearings... seventieth Congress, first session. February 8, 9, 10, and 14, 1928. Serial E - part 5. Washington, U.S. Govt. print. off., 1928. pp.299-427.  
281 Un3Ag

The following extracts are quoted from this part of the general agricultural relief hearings held during the seventieth session of Congress:

"Mr. Ketcham. The simple idea of H.R.10568 is the export debenture plan.

"Mr. Swank. Is your bill like that of Mr. Jones, Mr. Ketcham?

"Mr. Ketcham. They are along the same lines. I have not had the opportunity to read carefully Mr. Jones's bill. But the central idea, the debenture plan, is the real heart of the so-called Adkins bill, the Jones bill, and H.R.10568. We have not included the cooperative features; and then H.R.10568 is, so far as an equalization fee is concerned, a substitution for that feature of H.R. 7940." - p.304.

"Mr. Taber. The export debenture plan, in the simplest language, is an attempt to bring tariff benefits to farm commodities of which there is an exportable surplus. It attempts to bring the farmer under the tariff; it attempts to do it in harmony with established precedents, and I believe, and we hope we can prove to you, that it will do it; and it does it with real simplicity." - p.309.

"Mr. Taber. We hope for relief now, not in 1931, not in 1932, not after a presidential campaign, not after a congressional election. Let me say to you gentlemen, we like this committee. But I am not concerned about who is President of the United States, or whether we pass legislation that brings you back or keeps you away. We are concerned in legislation that benefits agriculture. We are not concerned a rap about the political angles of legislation or the salary angles of legislation. Relief to agriculture is our only concern and our only program, and I do not like the word 'relief'; I like the word 'equality.' The farmer does not want relief; he just wants the same advantages - he wants no advantages, no privileges - just what the other fellow has;



and to get it he may have to have different machinery and a little different equipment." - p.10.

"Mr. Taber: But the point I am trying to make is, first, that this bill is no more a subsidy than the high protective schedules in the tariff. It keeps no more money out of the Treasury than the protective schedules of the tariff; and it is no more a subsidy than the equalization fee contained in one of the bills - I am not going to discuss that except just to indicate it is no more of a subsidy than that. I had a friend count up the other day the advance in railroad stocks and bonds since the passage of the Esch-Cummins Act, and it looks like billions, not millions. I am mentioning that not in criticism of Congress but to show the effect of legislation. You can help agriculture in one of two ways: Reduce the tariff, eliminate immigration restrictions, interest charges on railroads, and other legislation that may be destructive and causes dislocation...

"As to labor costs and the farmer - we may be wrong - we think our solution is not to reduce labor costs or the labor wage. The best consumer that the American farmer has is the well-paid worker. We have either got to be destructive and pull somebody else down - and there are a few that ought to be pulled down - we have either got to pull somebody else down or build the farmer up. We are saying as a general policy that we must either pull down the general price level of the things that agriculture consumes, or you must build up agriculture's price level. And experience has demonstrated that the farmer always gets the worst of it in a decline of the price level. Our debts were contracted at the high price level. We have a difficult position. We are a creditor nation. We want to be an export surplus producing nation, and we want to be a high-tariff nation. That is a pretty hard thing to do.

"Mr. McSweeney. Would not this affect the allied debts in small amount?

"Mr. Taber. It would not affect the allied debts at all...

"I want to cover one or two points about the test of farm-relief legislation. The first test is, can it be passed - and I say 'passed' not in the terms of veto, but in the support of Congress. We believe that a proposition of this kind is so fair, so simple, brings new sources of support, brings new forces that it can be passed by this Congress and become a law.

"The second is, will it work? There has been no complaint anywhere, no charge made by anyone that the export debenture idea would not raise price levels. It brings the farmer under the protective system, whether tobacco or wheat, to the extent of the amount of the debenture, and raises general farm-price levels. No one denies this. We want to be absolutely frank about it. We know it is going to cost the Government something. But if the Government in its wisdom has built up a legislative and commercial fabric that discriminates against one group, it is the responsibility of the Government to remove as much as it may those inequalities.

"The third test, is it constitutional? The drawback provision of the tariff, to which this is very similar, has been tested in the



highest courts of the land. It has been in operation for generations. The remitted tariff-duty provision has had congressional approval year after year, and has had Supreme Court interpretations." - pp.319-321.

"Mr. Vrooman. Having worked on this problem since 1921, when I had the honor of having introduced in Congress, the first farm relief bill, the so-called 'export credit bill,' which passed the Senate by a unanimous vote and the House by a two-thirds majority, only to be assassinated 'in conference' by two eastern Congressmen, I am loath to see nonessential differences of opinion as to method defeat again, for the fourth time, this most urgently needed legislation...

"In brief, the bill in its final form should contain, in my opinion, four main features, all to be administered by a board, the members to be selected in a way that will insure a sympathetic understanding by them of the farmer's needs and point of view.

"The first job of the board, and one which would require its continuous attention, would be to keep itself and the farmers of the country thoroughly advised as to crop prospects, probable price trends and supply and demand both at home and abroad.

"This practical crop and price information service is capable of far greater development than anything at present available. If we had been fully informed in the fall of 1926 of the fact that the world crop of cotton was no larger than that of the preceding year, even though our own crop seemed so tremendous, we would have escaped the tragic slump in the price of cotton that ruined so many southern farmers.

"While this sort of market information would have been a big help, suppose that, in addition, means had been provided to lend cooperative growers, ginner, and dealers up to 85 per cent of the fair conservative value of the cotton held, and at the lowest feasible rate of interest. It is plain that under these conditions few holders would have sold their cotton at the then ruinously low prices, and the market would have sagged but little if at all.

"One section of the proposed bill should provide for the loaning in this way of upward of \$300,000,000, in an effort to prevent undue depression in market price levels. This sum of course would be augmented by funds available from private-banking institutions, and the Federal intermediate-credit banks.

"Storage from times of surplus to times of scarcity is just as necessary a function to-day as it was in the days of Joseph. Despite our best calculations, unusually good weather conditions are certain to produce troublesome surpluses of some crops in some years.

"When such a condition occurs, evidently the sensible thing to do is to store this surplus until another year. The proposed bill should provide that the board shall take steps to provide necessary storage facilities whenever in the opinion of the board, no other agency or agencies can be relied upon to warehouse, or store a sufficient percentage of such crops, at low enough costs and for a sufficient length of time, to secure for the farmer reasonable prices for their crops.

"Liberal credit also may be extended to foreigners who want to buy our agricultural products, and who have sound commercial security to

offer for such credit. This principle received the overwhelming indorsement of Congress when the original export credit bill of 1921 was before that body...

"However, in spite of the three partial remedies above suggested, as well as a crop-acreage limitation plan to be described later, there will always remain the possibility, following a series of favorable years, of pyramiding surpluses of certain crops above domestic requirements, and thus reducing prices below the 'American level.' It is this class of crops which fails to benefit by the kind of protective tariff now in operation.

"The present Ketcham bill provides that in an agricultural crisis of this kind the board shall establish a system of 'export debenture' payments on the exported part of each crop, up to the amount of the tariff on that crop, and 2 cents a pound on cotton...

"With the above-outlined provisions in operation, farming again would have a fair break with industry and some plan would have to be devised to prevent undue acreage expansion. The Ketcham bill provides for declining debenture values to discourage overproduction. This would be exactly as effective as the increased equalization fee payments provided in the McNary-Haugen bill. But I am inclined to think that considerably more could be done toward acreage control.

"A simple plan for doing this would be by increasing the acreage of legumes to be planted and plowed under as fertilizer. The bill could provide that the board after carefully investigating the quantity of the various crop carryovers, probable crop acreages, and crop prospects, together with probable crop demands at home and abroad, shall decide what percentage of the arable land of the country ought to be planted in legumes to be plowed under.

"It would endeavor to secure such acreage adjustments through unpaid State, county, and township committees. The chief functions of the local committee would be, first, to make clear to local farmers the splendid results in the way of higher prices for their crops and increased fertility that would come about from the carrying out of such a policy; and second, as the local draft boards did during the war, to grant immunity in cases where owing to unusual conditions undue hardship would result from a rigid enforcement of the plan upon all alike." - from A Statement in Support of the Export Debenture Plan, by Carl S. Vrooman, former Assistant Secretary of Agriculture, pp.395-397.

#### FARM RELIEF COMMITTEE

Thomas (Oklahoma)

S.Con.Res.27. [Authorizing appointment of a committee to represent agricultural interests before Congress, to be known as the farm relief committee].

Introduced December 17, 1928. Referred to Committee on Agriculture and Forestry.

The preamble to the resolution follows:

"Whereas it appears that, at an early date, legislation directly



affecting agricultural interests is to be considered by the Congress, either in regular or special session; and

"Whereas the agricultural problem is one which affects directly every citizen as well as every group of our people, and affects directly or indirectly every interest and institution of the Republic. In seeking a solution and in providing relief for agriculture all our people, individually and in groups, and all our interests and institutions must be taken into consideration, to the end that no avoidable injury and no injustice may be done any citizen or groups of interests or institutions; and

"Whereas the thirty-five millions of our citizens residing upon and securing substance upon which they exist from farm lands are not, as a whole, organized so as to furnish [!], recognized and accredited representatives to speak and act for agriculture in connection with the formation and enactment of legislation for the best interests of agriculture; and

"Whereas to the end that agriculture may be specially and directly represented in connection with the suggested farm relief and tariff legislation:

"Therefore be it resolved..."

#### PRICE FIXING

Christopherson

H.R.6972. To create the American Stabilizing Commission and to provide for stabilizing the price of certain farm products by purchasing the surplus thereof.

Introduced December 12, 1927. Referred to Committee on Agriculture.

"The general purpose and intent of this Act is to assure the producers of certain farm products a fair and reasonable price therefor by having the commission... purchase the surplus portion, if any, remaining on hand at or near the end of each crop year, upon delivery at any of the terminals hereinafter specified, and pay therefor the minimum price previously guaranteed by said commission."

The Secretaries of Agriculture, Commerce and Labor are to constitute the membership of the Commission.

Commodities for which the surplus portion may be purchased and price fixed are the "marketable and storable grades of wheat, corn, rye, flax, oats, barley, rice, sugar, cotton and wool hereafter grown or produced in the United States upon delivery thereof at terminal elevators or warehouses at Portland (Oregon), Seattle, Minneapolis, Duluth, Chicago, Buffalo, St. Louis, Kansas City, Galveston, New Orleans, New York, Boston, and at such other terminals as may be specified and at such times as may be designated by said commission."

The Commission is also required to "investigate practicability of likewise guaranteeing a minimum price for all surplus marketable tobacco, butter, hides, mutton, beef, and pork and report its conclusions and recommendations to Congress at the earliest practicable date."

SURPLUS DISPOSAL (MISCELLANEOUS PLANS)

Bills

Anthony

H.R.6020. To establish a Federal Farm Board to prevent overproduction of agricultural commodities and to aid in the orderly marketing and in the control and disposition of the surplus of agricultural commodities.

Introduced December 7, 1927. Referred to Committee on Agriculture.

Similar to H.R.6019, also introduced by Mr. Anthony, except that it does not provide for an equalization fee, or fund. (See Equalization Fee)

Aswell

H.R.9278. To establish a Federal Farm Board to aid in the orderly marketing and in the control and disposition of the surplus of agricultural commodities in interstate and foreign commerce.

Introduced January 13, 1928. Referred to Committee on Agriculture.

Creates a Federal Farm Board consisting of 12 members appointed by the President and the Secretary of Agriculture as ex officio member.

In addition to general powers the board is empowered to create commodity advisory councils; make loans to cooperatives for the purpose of assisting in controlling the surplus and for acquiring facilities to be used in the storage, processing, or sale or other disposition of the commodity; make marketing agreements providing for the withholding from the market, purchase, etc., of surplus agricultural commodities by cooperatives (providing there is no substantial increase in production for any year, or that the board's advice has not been disregarded); etc.

Aswell

H.R.13269. To establish a Federal Farm Board to aid in the orderly marketing and in the control and disposition of the surplus of agricultural commodities in interstate and foreign commerce.

Introduced April 23, 1928. Referred to Committee on Agriculture.

Similar to H.R.9278, also introduced by Mr. Aswell, but in addition carries a provision for the investigation of marketing and surplus conditions; and a provision for price insurance.

Black (New York)

H.R.8131. To establish the Federal Alcoholic Liquor Board in the Department of Agriculture to aid in putting the agricultural industry on a sound commercial basis by providing incentives to crop diversification and a market for surplus farm products.

Introduced December 20, 1927. Referred to Committee on Agriculture.

The bill declares the existence of an emergency in the agricultural industry of the country due to a surplus of certain agricultural products and also to a lack of a market for certain agricultural commodities which is in turn due to the National Prohibition Act.



Provides for the granting of licenses "to farm organizations and cooperative marketing associations for the processing and selling beer and wine containing alcohol for beverage purposes, providing such are not intoxicating in fact."

Section 5 provides that "the revenue derived from licenses... shall be devoted to agricultural relief generally in a manner directed by the Secretary of Agriculture, providing that such money shall not be used to withdraw from the market a supply of any agricultural commodity; and further, that such revenue shall not be used to make loans or advances to any farm organization or to any cooperative marketing association or to any person or persons for the purpose of storing or carrying over or in withdrawing from the market in any way whatsoever any supply of agricultural commodities. The Secretary of Agriculture shall account to the Treasury Department annually as to receipts and expenditures under this Act."

Borah

S.1754. To create a Federal Agricultural Corporation to give American farmers economic guidance of the production and economic assistance in the marketing of basic commodities of agriculture to promote the general welfare of the United States.

Introduced December 15, 1927. Referred to Committee on Agriculture and Forestry.

"Section 1. As used in this Act -

"(a) The term 'basic commodities of agriculture' means wheat, rye, corn, oats, hay, rice, flax, cotton, tobacco, sugar cane, sugar beets, onions, cabbage, carrots, potatoes, beans, apples, peaches, pears, oranges, lemons, grapefruit, cattle, sheep, swine, butter, beef, wool, mutton, and pork...

"(d) The term 'economic price' means the cost of production and a reasonable profit determined by the corporation in any year...

"(g) The term 'export surplus' in staples means that portion of surplus remaining after the carry-over has been reserved.

"(h) The term 'export surplus' in perishables means that portion of the crop remaining after the requirements of the domestic markets have been fully supplied at the economic price.

"(i) The term 'balanced production' means production sufficient to supply the requirements of domestic markets at the economic price, and such foreign markets as are able and willing to pay that price plus the cost of transportation and a commission for selling."

Provides for the creation of a Federal Agricultural Corporation composed of the Secretary of Agriculture and 8 other members appointed by the President.

Section 71, <sup>part 7</sup> gives the purposes of this bill as follows:

"Sec. 71. The purposes and accomplishments of this Act are declared to be -

"(a) To decrease the cost of production - (1) By reducing wastage on the farms and in the markets through a balanced production; and (2) By an economic disposition of any surplus.

"(b) To decrease the cost of distribution and of selling - (1) By an orderly marketing; (2) By an equal distribution; and (3) By economically regulating the charges of licensed farm markets and commission merchants.

"(c) To establish an economically balanced production of the basic commodities of agriculture - (1) By an economic guidance of acreage planting; (2) By an economic guidance of production in livestock; and (3) By an economic disposition of any surplus.

"(d) To provide an economic disposition of any surplus - (1) By a carry over in staples sufficient to provide for crop losses in excess of the average in the following year; and (2) By a sale of any export surplus.

"(d) To prepare and furnish data to Congress for the enactment and levy of a sales tax upon the basic commodities of agriculture to supply the corporation with \$1,000,000,000 capital.

"(g) To establish, as far as possible, preplanting contracts between producers and consumers.

"(h) To establish orderly marketing and an equal distribution - (1) By a standardized one price, the economic price; (2) By the guidance of the sales department of the corporation; and (3) By the guidance of the farm-market commissions, the market distributors, and the corporation county agents.

"(i) To establish prices in domestic markets economically equitable for both consumers and producers - (1) By stabilizing prices annually, thereby preventing speculation and fluctuating prices in exchanges and domestic markets; (2) By reducing the cost of distribution by influencing licensed regional farm markets and commission merchants to handle a maximum of quantity at a minimum rate of profit; (3) By reducing wastage on the farms and in the markets; and (4) By keeping the crops in licensed farm warehouses and in the ownership and possession of the farmers until the consumers need them...

"(m) (a) To induce the surplus acreage-planting farmers of the United States to plant the acreage directed by the corporation to be planted in each basic planted agricultural commodity, so that the total acreage planted by all the farmers in each planted basic agricultural commodity shall approximate the total acreage advised by the corporation to be planted in each such commodity.

"(b) To induce the surplus-producing livestock farmers of the United States to breed and produce the number and quantity of cattle, sheep, or swine, and the amounts of butter, beef, wool, mutton, or pork directed by the corporation to be grown and produced, so that the total number or amount of each kind of livestock or livestock products produced by all the livestock farmers shall approximate the total number and quantity advised by the corporation to be produced in each kind - (1) By putting on a concerted drive through banks and bankers, by the granges, the farm bureaus, the cooperatives, the colleges of agriculture, the departments of agriculture, both National and State, by personal visits of the corporation county agents, by bulletins sent the farmers through the mail, by messages broadcast over the radio, and by argumentative articles in the press; (2) By purchasing the surplus of producing farmers who followed the directions of the corporation as to production in livestock or in regard to acreage planting; (3) By the corporation making loans to, and obtaining loans for farmers' commodity cooperative marketing associations, or for farmers' commodity-marketing corporations, at low rates of interest for monthly or yearly periods, whose producing members heeded the directions of the corporation as to production or acreage planting; and (4) By the corporation



making loans to banks and bankers who would give credit and loans to individual producing farmers, at low rates of interest for monthly or yearly periods, who followed the directions of the corporation as to production or acreage planting.

"(n) To give the American farmers annually the cost of production, including an allowance for crop losses caused by climatic conditions, plant disease, and pests, and a reasonable profit, sufficient to maintain American standards of living for the farmer and his family.

"(o) To give the American consumers an abundance of quality farm products, timely delivered and equally distributed, at the cost of production and a reasonable profit to necessary efficient farmers, and at the cost of distribution and a reasonable profit to necessary efficient distributors."

Crisp

H.R.65. To establish a Federal Farm Board in the Department of Agriculture to aid the industry of agriculture to organize effectively for the orderly marketing and for the control and disposition of the surplus of agricultural commodities.

Introduced December 5, 1927. Referred to Committee on Agriculture.

The board which is to be created is to consist of 12 members appointed by the President with the Secretary of Agriculture as chairman ex officio.

The board is authorized to create commodity advisory councils; investigate agricultural conditions to see if a surplus exists, if the surplus depresses the price of such commodity below cost of production, if conditions of marketing, durability, etc. of such commodity are adaptable to storage or future disposal, etc. If board finds that any commodity falls within these provisions an emergency is declared to exist; extend assistance to cooperatives in the form of loans, etc.; to aid in the purchase, sale, storage, processing of any agricultural commodity.

Edwards

H.R.11286. To establish a Farm Relief and Finance Corporation, to aid in the orderly marketing, control, and handling of surplus agricultural products, and for other purposes.

Introduced February 21, 1928. Referred to Committee on Agriculture.

Under Section 4 the board is required "to keep advised by investigation... as to the domestic and world requirements, prices, the existence of a surplus or probable surplus of any farm crop, including livestock or the products thereof." It is further empowered in item (b) of Section 4 and in Section 5 as follows:

"(b) Whenever the board finds that there is or may be in the hands or possession of producers during the ensuing year a substantial surplus above the normal domestic or world requirements of any farm crop or product within the United States, said board is hereby authorized, upon the request of the producers of such crop, to avail themselves of any provision or provisions of the Federal Reserve Act, the Intermediate Credit Bank Act, the Federal Warehouse Act, or any other Act of Congress, not inconsistent with the provisions of this Act, and

arrange for financing or otherwise aiding such producers in removing from the market and storing under any approved warehouse system any such farm crop or crops to the extent of the estimated surplus of such crop or crops. That the advances so made or provided for under this section shall be on the basis of the market value of such crop at the time of purchase, storage, or removal of same from the market.

"Sec. 5. (a) That the board is further permitted and authorized, upon such terms and conditions as it may prescribe, not inconsistent with this Act to make such advances or loans out of the revolving fund, hereinafter provided for, to any farm cooperative association, farm organization of producers or group of farmers engaged in producing, purchasing, holding, marketing, or storing any farm crop or commodity: Provided, That no advance or advances under the provisions of this Act shall be made to any person, organization, or association whatsoever when the ensuing annual production of such crop or commodity shows an increase in planting or breeding according to the estimates of the United States Department of Agriculture over and above the five-year average immediately prior thereto..."

Hare

H.R.10562. To establish a Farm Surplus Board; to aid in the orderly marketing, control, and disposition of surplus of agricultural commodities, and for other purposes.

Introduced February 6, 1928. Referred to Committee on Agriculture.

The board is to consist of 12 members appointed by the President.

This bill is very similar to H.R.11286, introduced by Mr. Edwards.

Lankford

H.R.9947. To establish a Federal Farm Board to aid in the orderly marketing and in the control and disposition of the surplus of agricultural commodities in interstate and foreign commerce.

Introduced January 24, 1928. Referred to Committee on Agriculture.

Provides for a Federal Farm Board to consist of 4 members and the Secretary of Agriculture as ex officio member.

Provides for the granting of loans to cooperatives making financial advances to farmers under certain conditions, one of which is that the farmers under contract shall agree to reduce their acreage for next year, "such fractional part of the crop grown for the ensuing year as the crop thus produced, together with the part of the crop carried over from the ensuing years, will probably total only so much as will be salable at or above an average price"; provides for the creation of commodity advisory councils; etc.

Section 16 states that cotton, corn, wheat, tobacco, hogs, and cattle are designated as basic agricultural commodities, and that "the board may upon proper showing determine that any other farm, orchard, grove, dairy, or timber product is a basic agricultural commodity and entitled to loans under this Act."

McNary

S.4602. To establish a Federal Farm Board to aid in the orderly marketing, and in the control and disposition of the surplus, of agricultural commodities in interstate and foreign commerce.



Introduced December 5, 1928. Referred to Committee on Agriculture and Forestry.

Creates a Federal Farm Board consisting of the Secretary of Agriculture and 6 members appointed by the President.

Provides for organization by the board of commodity advisory councils; stabilization corporations; loans to stabilization corporations and cooperatives for the purpose of buying and storing the surplus of a commodity, for the purchase of physical facilities for the marketing of agricultural commodities, for the purpose of advancing "to its members a greater share of the market price of the commodity delivered to the association than is practicable under other credit facilities", etc; price insurance; aiding in forming clearing house associations; etc.

Sinclair

H.R.305. To provide for the purchase and sale of farm products.

Introduced December 5, 1927. Referred to Committee on Agriculture.

Provides for the creation of the Farmers' and Consumers' Financing Corporation composed of three members appointed by the President.

Under Section 9 the corporation is "empowered and authorized (1) to build, buy, lease, and operate elevators and storage warehouses; (2) to buy agricultural products from any person within the United States, and to sell such products to any person within the United States, and to any person, or to any government or subdivision of government without the United States; (3) to act as agent of any person producing or dealing in agricultural products, either in their natural or prepared state, within the United States, in the sale of such products either within or without the United States; and (4) to make advances for the purpose of assisting any person in financing the sale, or exportation and sale, of such agricultural products, but in no case shall any of the money so advanced be expended without the United States. Every such advance, and any sale... shall be secured by adequate security... It is hereby declared to be the object and purpose of this Act to provide a market for the sale of agricultural products, and to eliminate as far as possible the commissions and charges that are enacted upon agricultural products from the time such products leave the producer until the same reaches the consumer, and to thereby increase the price which the producer receives and decrease the price which the consumer pays."

